



**MICHIGAN
ASSOCIATION
OF COUNTIES**

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Timothy K. McGuire, Executive Director

The Honorable Tom Casperson, Chair
Natural Resources Committee
State Senate
Lansing, MI 48909

May 25, 2011

Dear Chairman Casperson:

The Michigan Association of Counties is pleased to offer its support of Senate Bill 248. Senate Bill 248 sets an appropriate standard for the department to develop an active management plan for the lands it currently owns, while putting in place a framework for community involvement and input in future purchases.

Payment in Lieu of Taxes (PILT) is a critical piece of funding for Michigan's counties, especially those with a great deal of state land. When land is taken off the tax rolls by the state, local officials fully expect the state to make good on its obligation to pay PILT. As the economic downturn has impacted the state and local governments, the state has continued to fail to pay what amounts to its property tax bill. When coupled with declining property tax revenues, cuts to revenue sharing, and declining reimbursements for state mandated services, counties simply can not continue to make up for these deficiencies.

The conference report adopted for the General Government budget proposes an additional 15% reduction in PILT payments on state land, this on top of an 11% reduction in the current year. Clearly, the state is not able to meet its obligations under state statute to local units of government on the land it owns. Until it is, the state should not purchase more land it can not afford to maintain and pay for. Further, PILT payments do not equal the revenue the county would receive in property taxes from a private owner, so state-owned lands cost counties money even if PILT payments are fully funded.

Finally, the Natural Resources Trust Fund (NRTF) is not accomplishing its purpose if the state continues to accumulate hundreds of acres of land without truly taking care of the lands it currently owns. The website reporting requirements make keeping track of NRTF lands more user-friendly to the citizens of Michigan.

The Michigan Association of Counties testified in support of this legislation earlier in the year. We support the goals of the Department of Natural Resources, however we want to make sure that when land is purchased and removed from the tax roles that it is done so properly and with adequate resources from the state to care for it and meet its obligations to local units.

Sincerely,

Benjamin E. Bodkin, Director of Legislative Affairs
Michigan Association of Counties

cc: Senate Natural Resources Committee